

CHAPTERS 12 to 21
Reserved

CHAPTER 22
COMMUNITY SERVICES BLOCK GRANT
[Prior to 12/31/86, see Planning and Programming[6301 Ch 22]

427—22.1(216A) Purpose.

22.1(1) The community services block grant program as established by Title VI, Subtitle B, Public Law 97-35, as amended, the Omnibus Budget Reconciliation Act of 1981, makes available to the state of Iowa funds to be used:

a. To provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem;

b. To provide activities designed to assist low-income participants including homeless individuals and families, migrants, and the elderly poor:

(1) To secure and retain meaningful employment;

(2) To attain an adequate education;

(3) To make better use of available income;

(4) To obtain and maintain adequate housing and a suitable living environment;

(5) To obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and employment-related assistance;

(6) To remove obstacles and solve problems which block the achievement of self-sufficiency;

(7) To achieve greater participation in the affairs of the community; and

(8) To make more effective use of other programs related to the purposes of this program;

c. To provide on an emergency basis for the provision of supplies and services, nutritious food-stuffs, and related services, as may be necessary to counteract conditions of starvation and malnutrition among the poor;

d. To coordinate and establish linkages between governmental and other social services programs to ensure the effective delivery of services to low-income individuals; and

e. To encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community.

22.1(2) Reserved.

427—22.2(216A) Definitions. For the purpose of these rules, unless otherwise defined, the following shall govern:

“CAA” means community action agency.

“Community action agency, community action program or eligible entity” shall mean any organization which was officially recognized as a community action agency or a community action program under the provisions of Public Law 97-35, Subtitle B, section 673(1), as amended, and Iowa Code section 216A.91.

“CSBG” shall mean the community services block grant program.

“DCAA” means the division of community action agencies of the state department of human rights.

“Poverty line” means the official poverty line established by the director of the federal Office of Management and Budget. The Secretary of the Department of Health and Human Services revises the poverty line annually and this poverty line multiplied by 125 percent shall be used as a criteria of eligibility in the community services block grant program.

“*Program year*” refers to the year beginning October 1 and ending the succeeding September 30. The program year is numbered for that year in which it ends. Funding may extend beyond the program year in which it is awarded.

“*Reduction*” means funding reduced below the proportional share of funding an eligible entity received in the previous fiscal year.

“*Suspension*” means temporary withdrawal of the eligible entity’s authority to obligate funds pending corrective action by the eligible entity.

“*Termination*” means permanent withdrawal of the eligible entity’s authority to obligate funds before that authority would otherwise expire. If an eligible entity’s authority to obligate funds is terminated, no funds may be obligated by the eligible entity after the effective date of the termination. It may also mean the voluntary relinquishment of this authority by the eligible entity.

427—22.3(216A) Apportionment distribution.

22.3(1) *Iowa apportionment.* There is appropriated to DCAA from the fund created by Iowa Code section 8.41, subsection 1, funds to implement the community services block grant as described under Public Law 97-35, Title VI, Subtitle B, as amended. The agency shall expend the funds appropriated as provided in the federal law, making the funds available in conformance with these rules.

22.3(2) *Distribution to eligible entities.* An amount no less than 96 percent of the funds received according to subrule 22.3(1) shall be distributed to eligible entities in accordance with 1994 Iowa Acts, chapter 1194. The administrator of the division of community action agencies of the department of human rights shall allocate not less than 96 percent of the amount of the block grant to eligible community action agencies for programs benefiting low-income persons. Each eligible agency shall receive a minimum allocation of no less than \$100,000. The minimum allocation shall be achieved by proportionately redistributing increased funds from agencies experiencing a greater share of available funds. The remaining funds shall be distributed on the basis of the poverty-level population in the area represented by the community action agencies compared to the size of the poverty-level population in the state as established by the federal poverty guidelines as published by the United States Department of Health and Human Services.

22.3(3) *Poverty-level population.* The state shall use U.S. census statistics to determine the poverty-level population in each community action area.

22.3(4) *State administrative fees.* DCAA shall reserve for its administrative expenses of the program no more than 4 percent of the state’s apportioned amount described in subrule 22.3(1).

22.3(5) *Local share.* There shall be no local share required under this program.

427—22.4(216A) Eligibility requirements. The eligibility requirements for participation in the community services block grant program are as follows:

22.4(1) *Organization.* The organization must meet the definition of an eligible entity as defined in rule 22.2(216A).

22.4(2) *Accounting system.* Any private agency must obtain an accounting system certification in accordance with Iowa Code section 11.36, if the total amount of grants and contracts received by the organization from the state during the program year will exceed \$150,000.

22.4(3) *Board composition.* A recognized community action agency shall be governed by a board of directors composed of at least nine members. The board membership shall be as follows:

a. One-third of the members of the board shall be elected public officials currently holding office or their representatives. However, if the number of elected officials available and willing to serve is less than one-third of the membership of the board, the membership of the board consisting of appointive public officials may be counted as fulfilling the requirement that one-third of the members of the board be elected public officials.

b. At least one-third of the members of the board shall be chosen in accordance with procedures established by the community action agency to ensure representation of the poor in an area served by the agency.

c. The remainder of the members of the board shall be members of business, industry, labor, religious, welfare, education, or other major groups or interests in the community.

22.4(4) *Public agency advisory boards or delegate agencies.* Notwithstanding subrule 22.4(3), a public agency which is acting as a community action agency shall establish an advisory board or may contract with a delegate agency to assist the governing board. The advisory board or delegate agency board shall be composed of the same type of membership as a board of directors under subrule 22.4(3). The advisory board or delegate agency board shall comply with the duties required for the board of directors for the community action agencies as provided in Iowa Code section 216A.95. However, the public agency acting as the community action agency shall determine annual program budget requests.

22.4(5) *Ineligible recipients.* Individuals, political parties and for-profit organizations, partnerships and corporations are ineligible for direct assistance from the state under this program.

427—22.5(216A) Community action plan. All eligible entities shall submit a proposed community action plan for the purpose of applying for funds. The allocation of funds to eligible entities is on a noncompetitive basis.

22.5(1) *Timing.* Eligible entities shall be informed in writing by the DCAA of the due date for the community action plan and the amount of their allocation in accordance with subrule 22.3(2).

22.5(2) *Contents.* Instructions for preparing a proposed community action plan shall be provided by the DCAA to all eligible entities. In addition to other information specified in the instructions, approvable community action plans will include:

- a.* A community needs assessment (including food needs);
- b.* A description of the service delivery system targeted to low-income individuals and families in the service area;
- c.* A description of how linkages will be developed to fill identified gaps in services through information, referral, case management, and follow-up consultations;
- d.* A description of how funding will be coordinated with other public and private resources; and
- e.* A description of outcome measures to be used to monitor success in promoting self-sufficiency, family stability, and community revitalization.

Further information concerning community action plan requirements may be obtained by writing the Department of Human Rights, Division of Community Action Agencies, Bureau of Community Services, Capitol Complex, Des Moines, Iowa 50319, or telephoning (515)281-3951.

22.5(3) *Nondiscrimination provisions.* Applicants must ensure in their community action plans that no person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this program. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975, or with respect to an otherwise qualified disabled individual under Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, shall also apply to any such program or activity.

22.5(4) *Statewide needs assessment.* Applicants must participate in a statewide, comprehensive needs assessment at least once every three years. The needs assessment shall identify the causes and conditions of poverty in each community action area and throughout the entire state. The results of the study shall be used to plan activities contained in the community action plan.

427—22.6(216A) Review and approval of community action plans.

22.6(1) *Compliance review.* All activities proposed for funding shall be reviewed by community services block grant personnel for:

- a.* Compliance with the specific purposes outlined in rule 22.1(216A);

- b. Inclusion of assurances that the applicant will conduct the program in compliance with all applicable laws;
- c. Inclusion and proper completion of all forms and instructions included in the request for community action plans; and
- d. Compliance with subrule 22.4(2) relative to obtaining an accounting system certification.

22.6(2) Performance. Approval of community action plans is dependent on the satisfactory performance of the applicant in the past funding year(s). The minimum standards include: timely and adequate expenditure report submission, program report submission, prudent management of funds, conformance with state and federal law relative to the restrictions in the use of funds, and adequate record keeping. Additionally, available records, audits and determinations from the Office of Community Services—Department of Health and Human Services, Office of Management and Budget, Division of Community Action Agencies, Iowa Department of Public Health, and other relevant state and federal agencies shall be utilized to the extent possible. Unresolved audit questions and past-due audits shall be a basis for conditional approval or disapproval of a proposed community action plan.

427—22.7(216A) Payments.

22.7(1) Method of payment. Any entity receiving a grant under the community services block grant program shall submit a monthly requisition packet consisting of the following forms:

- a. Monthly advance request and expenditure report containing a breakdown of the monthly expenditures of the entity in carrying out the activities funded through the grant;
- b. State of Iowa claimant's certification for reimbursement of funds. DCAA may refuse reimbursement of funds for good reason such as evidence of fraud, lack of management controls, or non-compliance with grant conditions. Refusal shall be appropriately documented, and the grantee shall be informed of the reason for the refusal and remedial actions they may take.

22.7(2) Receipt of federal funds. All payments shall be subject to the receipt of federal grant funds by DCAA. The termination, reduction or delay of federal grant funds to the DCAA shall, at their option, be reflected in a corresponding modification to grants already made.

22.7(3) Equipment purchases. Equipment purchases must be approved in writing by the governing board for any piece of equipment involving over \$500 of CSBG funds. Additionally, prior state approval of the purchases must be requested by the chairperson and approved by the DCAA.

22.7(4) Miscellaneous expenses. Any miscellaneous expenditures involving over \$300 per purchase of CSBG funds must be itemized by expense and amount on the monthly CSBG expenditure report.

427—22.8(216A) Amendments. Following are requirements applying to grant amendments.

22.8(1) Budget. Any expenditure of funds on a cost category which will exceed that cost category budgeted amount by more than 10 percent must be approved by an amendment to the grant. The total amount of the budget shall not be exceeded and any amounts above the budget total shall not be reimbursable by DCAA unless an amendment has been granted to increase the total. All requests for budget amendments must be approved in writing by the governing board and requested by the chairperson. Budget amendments requested that will have an impact on the approved CSBG work program must be accompanied by a corresponding work program amendment request.

22.8(2) Work program. Any change in scope or emphasis among projects funded in the grant must be reflected through a work program amendment. All requests for work program amendments must be approved in writing by the governing board and requested by the chairperson. Work program amendment requests shall provide the reason(s) for the proposed change in adequate detail to facilitate review by DCAA. A reduction in scope shall be evaluated by DCAA to determine what reduction in funds, if any, will be required.

22.8(3) Recapture of funds. If at any time during the program year it becomes apparent that the amount allocated to any entity is not being utilized at a rate sufficient to expend their available program funds, the agency may require that the entity amend their grant to release the excess funds. The funds

may then be distributed by DCAA to those entities demonstrating the need and ability to appropriately expend the funds, or may be set aside for reappropriation by the general assembly.

22.8(4) Other requests. Requests for amendments other than those addressed in this rule, shall be considered on a case-by-case basis in conformance with applicable state and federal laws.

427—22.9(216A) Ineligible items. Ineligible activities or costs are as follows:

22.9(1) Political activity. Rescinded IAB 12/7/94, effective 1/11/95.

22.9(2) Voter assistance. Any activities to provide voters and prospective voters with transportation to the polls or provide similar assistance in connection with an election or any voter registration activity.

22.9(3) Land and buildings. The purchase or improvement of land, or the purchase, construction, or improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility. Exceptions to this shall only be provided through the waiver procedure described in section 680, subsection (b), Public Law 97-35 as amended.

427—22.10(216A) Audits and records. Each recipient shall be responsible for the maintenance of appropriate accounting records necessary for the protection of program funds and shall arrange and pay for an annual audit of each grant made under this program, to be submitted within 90 days of the end of the recipient's fiscal year. Audits shall be performed in accordance with generally accepted auditing standards including the standards published by the general accounting office, "Standards for Audit of Governmental Organizations, Programs, Activities and Functions." The audit report shall conform to the audit format established for community action agencies by the state auditor. Audit procedures shall conform to OMB Circular A-128, "Audits of State and Local Governments." In addition, DCAA may request more frequent audits or examinations of financial records of the recipient in order to ensure adequate financial controls are in place and operating.

427—22.11(216A) Termination of affiliation. In the event that a political subdivision desires to terminate affiliation with a community action agency currently serving it, the following procedure shall be used:

22.11(1) The board of supervisors or the city council as the case may be will vote to consider:

- a. Withdrawal from the service area of the CAA.
- b. Revocation of their original designation (if applicable) of the CAA for that area.
- c. A proposal to affiliate with another CAA.

22.11(2) The political subdivision shall hold a public hearing for review and comment on the proposed change.

22.11(3) At the next regular meeting of the board or council after the public hearing, a final vote on the resolution shall be taken.

22.11(4) If the board or council votes in favor of terminating affiliation with the community action agency, DCAA shall be provided a written notice within ten days including the following information:

- a. Official notification of the vote to terminate the affiliation.
- b. A summary of the public comment received by the political subdivision in regard to the proposed termination and affiliation with other CAAs.
- c. The political subdivision's recommendation for affiliation with another CAA.

22.11(5) In accordance with Public Law 97-35, Title VI, Subtitle B, as amended, and rule 22.12(216A), the division administrator of DCAA shall accept, reject, or modify the proposed termination and recommendation for affiliation with another CAA.

427—22.12(216A) Establishing new designation.

22.12(1) In any geographic area of the state not served by a CAA due to termination of affiliation, the division administrator of DCAA may decide to serve that area by:

a. Requesting an existing eligible entity which is located and provides services in an area contiguous to the unserved area to serve the unserved area;

b. If no existing CAA eligible entity is located and provides services in an area contiguous to the unserved new area, requesting the CAA eligible entity located closest to the area to be served or an existing CAA eligible entity serving an area within reasonable proximity of the unserved new area to provide services in the unserved new area; or

c. Where no existing CAA requested to serve the unserved area decides to do so, designating any organization which has a board meeting the requirement of rule 22.4(216A), or any political subdivision of the state to serve the unserved area.

The designation of an organization which has a board meeting the requirements of rule 22.4(216A) or a political subdivision of the state to serve the unserved area shall qualify the organization as an eligible entity under Public Law 97-35, Subtitle B, as amended.

22.12(2) DCAA shall conduct a minimum of one public hearing in the affected geographic area to solicit public input concerning the proposed designation. Factors to be considered in reaching a designation decision shall include determination of the most efficient service delivery mechanism, transition time, local views and issues, types of services to be provided, funds available, potential disruption of service to the eligible population, and other relevant data. Utmost consideration shall be given to the views and wishes of local elected officials and citizens in the unserved area in making a new designation. If necessary, DCAA shall alter the amount of CSBG funding to be received by affected CAAs as a result of the new designation.

427—22.13(216A) Suspension of CSBG funding.

22.13(1) *Suspension in general.* The division administrator of DCAA may suspend CSBG funds to an eligible entity if monitoring, evaluation, or audits reveal significant noncompliance with established state or federal policies, contract requirements, DCAA directives, fiscal procedures, program performance targets, or other willful or negligent failure on the part of the eligible entity to perform its responsibilities. Action to suspend funding will only be taken after less drastic remedies have been tried unless DCAA determines that immediate action is necessary due to the seriousness of the violation or is necessary to protect CSBG funds or property. Serious violations would include, but would not necessarily be limited to, evidence of fraud, embezzlement or gross mismanagement.

22.13(2) *Written notification of suspension.* DCAA shall provide a written “notification of suspension” by certified mail to the chairperson of the governing board of the eligible entity to effectuate the process of suspension. The “notification of suspension” shall specify the reason(s) for the suspension and the effective date of the suspension. In all but extreme cases, eligible entities will be given a reasonable period of time (but in no case more than 60 days) to make necessary improvements, whereupon funding may resume. In extreme cases, when the division administrator of DCAA has determined termination of CSBG funding is appropriate in accordance with rule 22.14(216A), the “notification of suspension” shall be accompanied by a “notification of intent to terminate” as described in rule 22.14(216A).

427—22.14(216A) Termination of CSBG funding.

22.14(1) *Termination in general.* The division administrator of DCAA may terminate CSBG funds to an eligible entity after suspension of CSBG funding in any of the following instances:

a. The division administrator determines that the governing board of the eligible entity cannot or will not take the necessary action to bring the eligible entity into compliance within the time allowed by DCAA.

b. The division administrator determines that the nature or extent of noncompliance is extreme and warrants immediate termination of CSBG funding.

c. The eligible entity is no longer officially recognized as a CAA by DCAA as a result of termination of affiliation procedures described in rule 22.11(216A).

d. The material failure of the eligible entity to comply with the terms of its agreement and community action plan to provide services.

22.14(2) *Written notification of intent to terminate.* DCAA shall provide a written “notification of intent to terminate” by certified mail to the chairperson of the governing board of the eligible entity to effectuate the termination of CSBG funding. The “notification of intent to terminate” shall include:

- a. The reason(s) for the termination;
- b. A notice of a hearing to be held to consider the intended termination including:
 - (1) A statement of the date, time, place, nature, and manner of the hearing;
 - (2) A statement of the legal authority and jurisdiction under which the hearing is to be held;
 - (3) Reference to the particular sections of the statutes, rules, or regulations involved;
 - (4) A short, plain statement of the matters asserted. If the state is unable to recite the matters in detail at the time the notice is given, the notice may be limited to a statement of the issues involved;
 - (5) A statement informing all parties of their opportunity at a hearing:
 - 1. To request rescheduling of the hearing for good cause;
 - 2. To be represented by an attorney or other representative of their choice;
 - 3. To introduce into the record documentary evidence and bring witnesses to the hearing;
 - 4. To have records or documents relevant to the issues produced by their custodian when the records or documents are kept by or for the state, contractor or its subcontractor in the ordinary course of business and where prior reasonable notice has been given to the presiding officer;
 - 5. To question any witnesses or parties; and
 - 6. A final written decision provided by the division administrator of DCAA within 30 days of the hearing.

22.14(3) *Prehearing subpoena and discovery rights and procedures.* The presiding officer shall, upon request, issue subpoenas in accordance with the provisions of Iowa Code section 17A.13.

22.14(4) *Conduct of hearing.*

- a. The hearing shall be held within 30 days of the date of the “notification of intent to terminate.”
- b. The hearing may be conducted in whole or in part by telephone. When it is impractical for the state to conduct an in-person hearing, unless either party objects, a telephone hearing may be scheduled.
- c. After the presiding officer has called the hearing to order, the parties may be given an opportunity to present opening statements; thereafter the parties shall present their evidence in sequence determined by the presiding officer.
- d. When a witness is introduced to provide testimony or evidence in a contested case hearing, the witness shall, prior to testifying, be identified by name and address and shall take an oath or affirmation administered by the presiding officer.
- e. The rules of evidence and the contents of the record shall be as allowed under Iowa Code sections 17A.12(7) and 17A.14.

22.14(5) *Decision.* The decision shall conform to the following requirements:

- a. The presiding officer shall within 20 days following the hearing provide the division administrator of DCAA with a proposed decision.
- b. The division administrator of DCAA shall within 30 days following the hearing issue a final decision on behalf of the state.
- c. A proposed or final decision shall include findings of fact and conclusions of law, separately stated. Findings of fact shall be based solely on the evidence in the record and on matters officially noticed in the record, and, if set forth in statutory language, shall be accompanied by a concise and explicit statement of underlying facts supporting the findings. Each conclusion of law shall be supported by cited authority or by reasoned opinion.

22.14(6) *Review by the Secretary of Health and Human Services.* In accordance with Public Law 97-35, as amended, the Secretary of the U.S. Department of Health and Human Services shall be requested by the state to review any termination of funding to a community action agency, or migrant and

seasonal farmworker organization. As stated in Public Law 97-35, as amended, the review shall be conducted promptly and shall be based upon the record. No decision shall become effective until a finding by the Secretary of Health and Human Services confirming the state's finding of cause for termination.

427—22.15(216A) Reduction of CSBG funding.

22.15(1) *Reduction in general.* The division administrator of the DCAA may reduce CSBG funds to an eligible entity at any point in the grant cycle if the state determines that cause exists. Cause includes:

- a.* A statewide redistribution of CSBG funds to respond to:
 - (1) The results of the recently available census or other appropriate data;
 - (2) The establishment of a new eligible entity;
 - (3) Severe economic dislocation; and
- b.* The failure of the eligible entity to comply with the terms of its agreement to provide CSBG services.

22.15(2) *Written notification of reduced funding.* The DCAA shall provide a written notification to the eligible entity to be affected by reduced funding. The eligible entity may request a hearing to be held to examine whether cause exists for the planned reduction in funding. The eligible entity must request the hearing in writing to the DCAA within ten days of its receipt of a notification of the planned reduction in funding to impel a hearing. The hearing process shall follow that outlined in rule 22.14(216A) pertaining to prehearing subpoena and discovery rights and procedures, conduct of hearing, decision and review by the Secretary of Health and Human Services.

These rules are intended to implement Iowa Code sections 216A.91 to 216A.103, Public Law 97-35 as amended, Public Law 103-252, Public Law 103-94, 1990 Iowa Acts, chapter 1263, section 3, and 1994 Iowa Acts, chapter 1194.

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